GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2206
ANSWERED ON:28.07.2017
Features of GST
Kataria Shri Rattan Lal

Will the Minister of FINANCE be pleased to state:

(a) Whether the Goods and Services Tax (GST) will pave the way for financialization of the country and if so, the details thereof;
(b) Whether the GST will make the dream of 'one nation, one tax and one market' true in the country and if so, the details thereof;
(c) Whether the GST will promote business and development by making the taxation structure easy and by eliminating the numerous taxes and if so, the details thereof; and
(d) Whether the GST will improve productivity and easiness of business and if so, the details thereof?

Answer

MINISTER OF STATE FOR FINANCE
(SHRI SANTOSH KUMAR GANGWAR)
(a) No Sir. It is intended to bring transparency and accountability in business transactions along with the ease of doing business and rationalization in tax rates.
(b) Yes Sir. The foremost benefit of GST is to remove hurdles in inter-State transactions resulting in the setting up of a common market. Further, in case of inter-State supply, only integrated tax is to be levied while in intra-State supplies, central tax and State tax or Union territory tax is to be levied. Thus, the plethora of taxes being levied by the Centre and the States in the erstwhile regime has been replaced by simpler and more efficient taxation system.
(c) Yes Sir. The GST laws have been framed in such a manner that a multitude of taxes have been replaced by one tax. The details of the taxes subsumed under GST are as under.
(A) Taxes related to Centre:
i. Central Excise duty
ii. Duties of Excise (Medicinal and Toilet Preparations)
iii. Additional Duties of Excise (Goods of Special Importance)
iv. Additional Duties of Excise (Textiles and Textile Products)
v. Additional Duties of Customs (commonly known as CVD)
vi. Special Additional Duty of Customs (SAD)
vii. Service Tax
viii. Central Surcharges and Cesses so far as they relate to supply of goods or services.
(B) Taxes related to State
i. State VAT
ii. Central Sales Tax
iii. Luxury Tax
iv. Octroi and Entry Tax (all forms)
v. Entertainment and Amusement Tax (except when levied by the local bodies)
vi. Taxes on advertisements
vii. Purchase Tax
viii. Taxes on lotteries, betting and gambling
ix. State Surcharges and Cesses so far as they relate to supply of goods or services.
(d) Yes Sir. The entire nation has been converted into a single market by removal of hurdles to inter-State trade. Further, uniform tax rates along with reduction in the cascading effect of taxation and increased input tax credit utilization in GST would immensely benefit the nation. There is automation of all major business processes viz., registration, payment of tax, return filing, etc.
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